Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

UNCLASSIFIED

PAGE 01 STATE 264613

66
ORIGIN EB-07

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 ISO-00 INT-05 COME-00

RSC-01 /056 R

DRAFTED BY EB/ICD:MJDUX/JJINGERSOLL:LMP
APPROVED BY EB:JLKATZ
ARA/EP:DWEBER
---------- 056983
R 022358Z DEC 74
FM SECSTATE WASHDC
TO AMEMBASSY LIMA
INFO AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY KINSHASA
AMCONSUL LUBUMBASHI
AMEMBASSY LUSAKA
AMEMBASSY MANILA
AMEMBASSY SANTIAGO
AMCONSUL PORT MORESBY
AMEMBASSY CANBERRA
AMEMBASSY LONDON
AMEMBASSY TOKYO

UNCLAS STATE 264613

E.O. 11652: N/A
TAGS: EIND, EMIN, ETRD
SUBJECT: CIPEC MINISTERIAL AGREEMENT
REF: LIMA 9883

1. POSTS SHOULD DRAW FROM FOLLOWING TO RESPOND TO CIPEC-MEMBER INQUIRIES CONCERNING USG REACTION TO CIPEC AGREEMENT:

2. USG SYMPATHETIC RE CONCERNS OF COPPER EXPORTING COUNTRIES TO STABILIZE PRICES AND AVERT DECLINE OF PRICE BELOW LEVEL NEEDED TO SUSTAIN PRODUCTION AT PROFITABLE LEVEL. COPPER PRICES SHOULD BE SUFFICIENTLY REMUNERATIVE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 264613

TO ENCOURAGE ADEQUATE INVESTMENT AND TO INSURE ADEQUACY OF

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

SUPPLY IN LONG-RUN.

3. AT SAME TIME, WE WOULD DEPRECATE ANY EFFORT TO ARTIFICIALLY PUSH PRICES UP TO LEVELS WHICH WOULD DISCOURAGE CONSUMPTION AND SHIFT USERS FROM COPPER TO SUBSTITUTES. CURRENT CIPEC OBJECTIVE APPEARS TO RECOGNIZE THAT LONG-TERM INTERESTS OF PRODUCERS WOULD NOT BE SERVED BY ATTEMPTING TO THROTTLE THE MARKET IN QUEST OF EXCESSIVE PRICE HIKES. BUT THE DANGER REMAINS THAT SOME SUCCESS IN A MODEST EFFORT MAY LEAD TO OVERLY AMBITIOUS EFFORTS TO SEEK EVER-HIGHER PRICES, TO THE DETRIMENT OF IMMEDIATE CONSUMER INTERESTS AS WELL AS OF LONG-RUN PRODUCER INTERESTS.

4. WE CONSIDER THE INTERESTS OF ALL WOULD BE BETTER SERVED THROUGH SOME SORT OF FORUM PERMITTING FULL REFLECTION OF BOTH PRODUCER AND CONSUMER INTERESTS AND CONCERNS. SUCH FORUM COULD ALSO PROVIDE INSURANCE AGAINST EXCESSIVELY AMBITIOUS AND DISRUPTIVE UNILATERAL PRODUCER ACTIONS WHICH DAMAGE THE LONG-TERM HEALTH OF THE INDUSTRY.

5. IN PRODUCER/CONSUMER CONSULTATIONS,THE USG WOULD NEED TO BALANCE THE INTERESTS OF US PRODUCERS WHO WOULD ALSO BE HURT BY EXCESSIVELY LOW PRICES AND THE INTERESTS OF US CONSUMERS WHO WOULD BE ADVERSELY AFFECTED BY EXCESSIVELY HIGH PRICES. BOTH WOULD BENEFIT FROM STABLE PRICES AT REASONABLE LEVELS. KISSINGER

UNCLASSIFIED

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, AGREEMENTS, MEETINGS, PRICES, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE264613
Document Source: CORE
Document Unique ID: 00
Drafter: MJDUX/JJINGERSOLL:LMP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740349-0812
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741267/aaaacfas.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: LIMA 9883
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2002 by ReddocGW>; APPROVED <10 FEB 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIPEC MINISTERIAL AGREEMENT
TAGS: EIND, EMIN, ETRD, CIPEC
To: LIMA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005